



Testimony of
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Labor & Public Employees Committee Public Hearing
February 27, 2014

HB 5257 An Act Concerning Hospital Employees and Hospital Conversions

Good afternoon Senator Osten, Representative Tercyak and members of the Labor & Public Employees Committee. My name is Melodie Peters and I am the President of AFT Connecticut, a diverse union of nearly 29,000 members. We are proud to represent more healthcare workers in acute care hospitals than any other collective bargaining agent, including approximately 700 members at Manchester and Rockville Hospitals which belong to the Eastern Connecticut Health Network (ECHN). Thank you for the opportunity to speak to you today in support of HB 5257.

We recognize that the healthcare landscape is quickly changing and that some struggling non-profit hospitals have decided that the only path to long term financial stability is to partner in some way with a for-profit healthcare corporation. We recognize that we cannot stop this from happening, but we do recognize the concerns healthcare workers face when these huge, for-profit entities snap up our community hospitals. HB 5257 provides the kinds of protections healthcare professionals deserve in order be able to focus on delivering high quality patient care.

Last year ECHN executives decided to pursue a for-profit partner and began an RFP process, which ultimately resulted in the execution of a letter of intent between ECHN and Yale/Tenet Healthcare. At the same time, those same executives initiated substantive discussions with union representatives about their intentions. This process allowed for a frank labor-management dialogue which allowed the fundamental needs and interests of each party to be clarified and communicated at the earliest stages of the process. Ultimately this process resulted in a number of significant changes in existing collective bargaining agreements to be reached between the parties, and perhaps more importantly, continues to provide an important line of communication between ECHN and its employees throughout this transition. While there is still much to discuss and a long way to go, our members at ECHN have thus far benefitted labor-management cooperation.

While our experience to date at ECHN has been largely positive, we understand that this is not how every hospital seeking a conversion has acted. In fact, we sympathize with our union brothers and sisters at Waterbury Hospital who have not been able to have any collaborative dialogue. That is exactly the reason we HB 5257. It would

require every hospital pursuing a for-profit conversion to guarantee the same kinds of worker protections that ECHN has provided to its employees through the collective bargaining process - union recognition, honored collective bargaining agreements and a commitment to maintain safe staffing levels. HB 5257 provides minimum protections to workers who are employed by hospitals who refuse to bargain in good faith or who lack union representation.

We are sensitive to concerns that some have raised that this bill would create a different community benefits standard for for-profit hospitals. We appreciate that concern and suggest that Section 1 (2) be amended to define "conversion" to include all kinds of conversions including: non-profit to for-profit; non-profit to non-profit; and for-profit to for-profit. I have included suggested language at the conclusion of my written testimony.

Such a change would protect all workers in this state, including over 800 of our members at Lawrence & Memorial Hospital who were forced to stage an unfair labor practices strike and endure an illegal employer lockout in order protect their job security when hospital created an alter ego corporation and outsourced their jobs.

We have encouraged ECHN executives to engage the community they serve with the same spirit they involved employees. Similarly, HB 5257 appropriately requires at least three public hearings to be held in affected communities so that the full impact of a proposed conversion, including the effect on hospital employment, can be discussed. It is our hope that such a process would move hospitals away from simply threatening closure toward a responsiveness and accountability to community needs and concerns. We do encourage you however, to amend the language in Section 1(c) to require the hospital to hold the hearings, not the city or town in which the hospital is located.

Connecticut is a place where people respect collective bargaining and understand that hospitals need to closely partner with communities. If for-profit hospitals are going to be welcomed to operate in Connecticut, we must make clear the responsibilities such corporations have to the larger citizenry. We strongly believe these responsibilities include respect for workers' rights and an ongoing accountability to the communities they serve. For these reasons, we ask you to act favorably on HB 5257. Thank you.

Proposed JFS Language for Section 1(2):

"Conversion" means any transfer by a person or persons of an ownership or membership interest or authority in a hospital, or the assets of a hospital, whether by purchase, merger, consolidation, lease, gift, joint venture, sale, or other disposition which results in a change of ownership or control or possession of twenty percent or greater of the members or voting rights or interests of the hospital or of the assets of the hospital or pursuant to which, by virtue of the transfer, a person, together with all persons affiliated with the person, holds or owns, in the aggregate, ten percent or greater of the membership or voting rights or interests of the hospital or of the assets of the hospital, or the removal, addition or substitution of a partner which results in a new partner gaining or acquiring a controlling interest in the hospital, or any change in membership which results in a new person gaining or acquiring a controlling vote in the hospital; or any change in ownership or membership interest or authority in a hospital, or the assets of a hospital,

whether by purchase, merger, consolidation, lease, gift, joint venture, sale, or other disposition which moves a service provided by or assets held by the hospital or healthcare facility to another entity, shadow entity, alter ego corporation or any other structure that has any impact on tax or employment issues.